

VISIT...

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Strategic Marketing and Planning

Strategic Marketing Management

- ♦ The mark of an excellent company is how it responds to a continuously changing environment
- ♦ Benefits of planning
 - management becomes proactive
 - facilitates integration
 - communicates management intent
 - ensures activities are goal-oriented
 - monitor progress towards goals

Strategic Planning

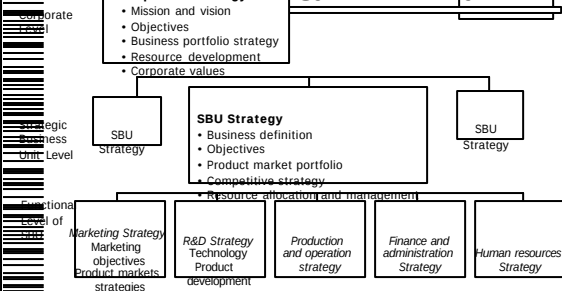
- ♦ Strategic planning is the managerial process of developing and maintaining a **viable fit** between the organisation's objectives and resources, and its changing market opportunities
- ♦ The **aim** of strategic planning is to shape and reshape the company's businesses and products to produce satisfactory profits and growth

Planning hierarchy

Three levels:

- ♦ Corporate strategic plan
- ♦ Strategic Business Unit plan
- ♦ Marketing plan

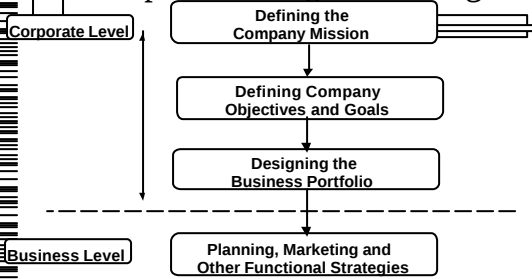
Strategy Hierarchy



Corporate Strategic Plans

Corporate strategic planning concerns the organisation as a whole and ultimately deals with the allocation of funds across SBUs and returns generated on those funds

Steps in Strategic Planning



- ♦ 4 planning activities
 - define mission
 - identify SBUs
 - analyse and evaluate the current portfolio of businesses
 - identify new business arenas to enter

- ♦ The mission statement provides direction for the company
 - What business are we in?
 - Who do we serve?
 - What benefits do we provide?
- ♦ Elaborating on the mission
- ♦ The mission statement acts as an invisible hand to guide geographically remote operations

Strategic Business Units

- ♦ Companies too often describe their business in terms of a product they make
- ♦ Levitt argues that a business must be viewed as a customer-satisfying process, not a goods-producing process
- ♦ SBU business domain (Abell)
- ♦ Purpose is to assign strategic planning responsibilities to these units

SBUs

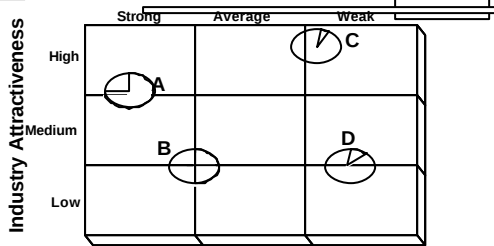
- ♦ The General Electric (GE) approach
- ♦ Definition of SBUs can be at any level of the company
- ♦ At the corporate level, decisions are made concerning which SBUs to build, maintain, harvest, and divest

Planning tools

GE Business Screen

- ♦ If either market attractiveness or business strength is weak, the company will not produce outstanding results
- ♦ SBUs have a life cycle
- ♦ May be used to forecast SBU position
- ♦ Corporate decisions (Build; Hold; Harvest; Divest)

The GE Planning Grid



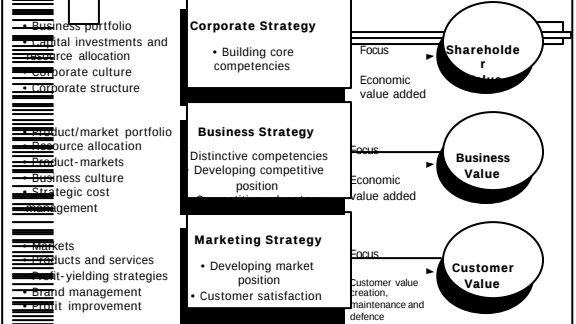
Strategic Planning Gap

The output of portfolio analysis of SBUs is the identification of any gaps between future desired sales and projected sales. If a gap exists, corporate management must plan to either develop or acquire new businesses to fill the gap

Closing the strategic gap

- ♦ Major classes of growth opportunities
 - Intensive growth
 - Integrative growth
 - Diversification growth

Corporate, Business and Marketing Strategy Model



Strategic Planning Process

- ♦ Linear and iterative
- ♦ SWOT analysis
 - Performance-Importance matrix
- ♦ Goals should be SMART
- ♦ Strategy
- ♦ Programs and action plans
- ♦ Implementation

Marketing Strategy & the Marketing Plan

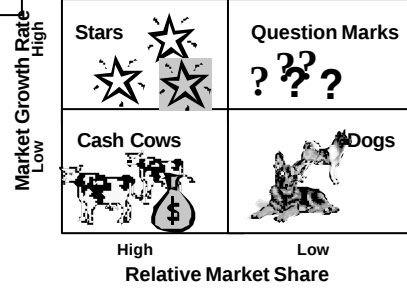
- ♦ Planning is conducted at two levels
 - annual plan
 - long term plan
- ♦ It contains much greater detail than the corporate plan
- ♦ It takes direction from the strategic plan

Planning tool

BCG Product Portfolio Matrix

- ♦ Used at the product market level
- ♦ Components
- ♦ Is the portfolio balanced?

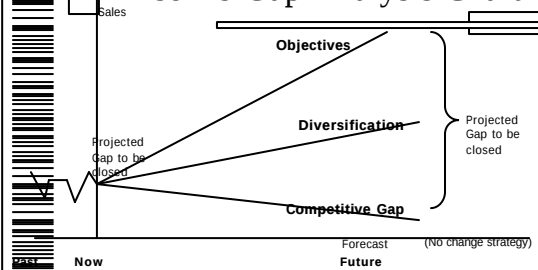
Business Portfolios



Closing the marketing plan gap

- ♦ Market opportunity identification
 - Ansoff's Product/Market expansion grid
- ♦ Market opportunity evaluation
 - Is the opportunity compatible with company objectives?
 - Is the opportunity compatible with company resources?
- ♦ Target market strategy

Ansoff's Gap Analysis Chart



Source: D.T. Brownlie & C.K. Bart, Products and Strategies, MCB University Press, Vol.11, No.1, 1985, p.29

Ansoff's Growth Vector Matrix

		PRODUCTS / SERVICES	
		Present	New
MARKET	Present	Market penetration	Product / Service development
	New	Market development	Diversification

Source: D.T. Brownlie & C.K. Bart, Products and Strategies, MCB University Press, Vol.11, No.1, 1985, p.29

Using the Ansoff Matrix in the Objective-setting Process

